

JAN 23 2015

A BILL FOR AN ACT

RELATING TO ACTIVITY DESKS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 468M, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:
4 "§468M- Fiduciary responsibilities of corporate
5 officers; activity desks. Each activity desk shall designate a
6 corporate officer to be the fiduciary in charge of matters when
7 the activity desk terminates its business with a deficient
8 client trust account or an expired or canceled letter of
9 irrevocable credit. The activity desk shall provide
10 notification in writing to the department within ten days after
11 the designation or after any change in designation."

12 SECTION 2. Section 468M-1, Hawaii Revised Statutes, is
13 amended by amending the definition of "activity desk" to read as
14 follows:

15 ""Activity desk" means any sole proprietorship,
16 organization, trust, group, association, partnership,
17 corporation, society, or combination thereof, which for



1 compensation or other consideration, acts or attempts to act as
2 an intermediary to sell, contract for, arrange, or advertise
3 that it can or will arrange, or has arranged, activities which
4 are furnished by an activity provider. This chapter shall not
5 apply to [any]:

6 (1) Any hotel as defined under section 486K-1 [~~7~~or];

7 (2) Any air carrier as defined by the Federal Aviation Act
8 of 1958 (49 U.S.C.S. Appx §1301), as amended [~~7~~]; or

9 (3) Any activity desk,

10 for services for which they do not accept consumer moneys for
11 services other than their own."

12 SECTION 3. Section 468M-9.5, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[+]§468M-9.5[+] **Record keeping requirements for client**
15 **trust accounts.** (a) An activity desk shall maintain all books
16 and records necessary to comply with this chapter and any rules
17 adopted pursuant to this chapter and shall make all records
18 relating to client trust accounts available for inspection and
19 audit within three business days of a written request by the
20 director. Nothing in this section shall prevent the director
21 from inspecting or auditing the books and records of an activity



1 desk as otherwise provided in this chapter or rules adopted by
2 the director pursuant to chapter 91.

3 (b) An activity desk shall keep and maintain copies of all
4 bank statements, deposit slips, canceled checks, drafts, and
5 wire or electronic transaction documents relating to client
6 trust accounts for a period of at least two years.

7 (c) An activity desk shall submit monthly to the
8 department a report of its month's sales and the ending balances
9 of its client trust accounts."

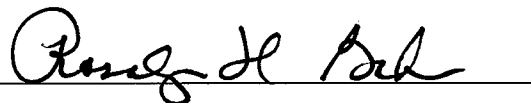
10 SECTION 4. This Act does not affect rights and duties that
11 matured, penalties that were incurred, and proceedings that were
12 begun before its effective date.

13 SECTION 5. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 6. This Act shall take effect upon its approval.

16

INTRODUCED BY:





Report Title:

Activity Desks; Exemptions; Fiduciaries; Client Trust Accounts; Reports

Description:

Requires activity desk to designate fiduciaries in case of certain business closures and to submit monthly financial reports to DCCA. Exempts from the law certain activity desks that operate without compensation.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

